

ASSEMBLY BILL

No. 266

**Introduced by Assembly Member Cooley
(Coauthor: Assembly Member Lackey)**

February 10, 2015

An act to amend Section 2220.05 of, to add Article 25 (commencing with Section 2525) to Chapter 5 of Division 2 of, and to add Part 5 (commencing with Section 18100) to Division 7 of, the Business and Professions Code, to add Section 23028 to the Government Code, to amend Section 11362.775 of, and to add Article 8 (commencing with Section 111658) to Chapter 6 of Part 5 of Division 104 of, the Health and Safety Code, and to amend Section 1155.7 of, and to add Sections 1158.5 and 3094 to, the Labor Code, relating to medical marijuana, and making an appropriation therefor.

LEGISLATIVE COUNSEL'S DIGEST

AB 266, as introduced, Cooley. Medical marijuana.

(1) Existing law, the Compassionate Use Act of 1996, an initiative measure enacted by the approval of Proposition 215 at the November 6, 1996, statewide general election, authorizes the use of marijuana for medical purposes. Existing law enacted by the Legislature requires the establishment of a program for the issuance of identification cards to qualified patients so that they may lawfully use marijuana for medical purposes, and requires the establishment of guidelines for the lawful cultivation of marijuana grown for medical use. Existing law provides for the licensure of various professions by the Department of Consumer Affairs. Existing law, the Sherman Food, Drug, and Cosmetic Law, provides for the regulation of food, drugs, devices, and cosmetics, as specified. A violation of that law is a crime.

This bill would establish within the Department of Consumer Affairs a Bureau of Medical Marijuana Regulation, under the supervision and control of the Chief of the Bureau of Medical Marijuana Regulation, and would require the bureau to license and regulate dispensing facilities, cultivation sites, transporters, and manufacturers of medical marijuana and medical marijuana products, subject to local ordinances. The bill would require a background check of applicants for licensure, as defined, to be administered by the Department of Justice, and submission of a statement signed by an applicant, under penalty of perjury, that the information on his or her application is true, thereby creating a crime and imposing a state-mandated local program. Violation of the provisions related to applying for a conditional license would be punishable by a civil fine of up to \$35,000 for each individual violation, or as otherwise specified.

The bill would make conditional licenses subject to the restrictions of the local jurisdiction in which the facility operates or proposes to operate. The bill would set forth provisions related to the transportation, testing, and distribution of medical marijuana. The bill would prohibit the distribution of any form of advertising for physician recommendations for medical marijuana, unless the advertisement bears a specified notice and requires that the advertisement meet specified requirements and not be fraudulent, deceitful, or misleading.

The bill would establish a system, including apprenticeship and certification, for cannabis employees. The bill would require the Division of Labor Standards Enforcement to maintain and enforce minimum standards of competency and training and to certify cannabis employees. The bill would require the division to establish a cannabis curriculum certification committee to establish educational curriculum standards and to oversee educational providers of cannabis curriculum. The bill would require the Division of Occupational Health and Safety to develop industry-specific regulations for facilities issued a conditional license and would specify that those regulations govern agreements between a facility issued a conditional license and labor.

The bill would establish the Medical Marijuana Regulation Fund and would require the deposit of specified fees collected pursuant to this act into the fund. The bill would continuously appropriate moneys from the fund to the bureau for the purposes of administering this act, thereby making an appropriation. The bill would also establish the Special Account for Environmental Enforcement within the Medical Marijuana Fund. This account would contain money from fees assessed against

licensed cultivation facilities and would be continuously appropriated for the enforcement of environmental regulations relating to licensed cultivation sites. The bill would require the deposit of penalty moneys collected pursuant to this bill into the General Fund.

The bill would provide that it shall not supersede provisions of Measure D, as approved by the voters of the City of Los Angeles, as specified.

The bill would authorize a city, county, or city and county to administer and enforce these provisions. The bill would require the bureau to establish quality assurance protocols by July 1, 2017, to ensure uniform testing standards of medical marijuana, and would require licensees to comply with these provisions. The bill would further set forth provisions regulating edible medical marijuana products, as specified. By adding these provisions to the Sherman Food, Drug, and Cosmetic Law, a violation of which is a crime, the bill would impose a state-mandated local program.

(2) Existing law establishes the Division of Apprenticeship Standards, which audits and regulates apprenticeship programs for various trades, including electricians.

This bill would require the division to investigate, approve, or reject applications for apprenticeship employees of a licensed cultivation site or a licensed dispensing facility, as defined.

(3) Existing law, the Medical Practice Act, provides for the licensure and regulation of physicians and surgeons by the Medical Board of California. Existing law requires the board to prioritize investigations and prosecutions of physicians and surgeons representing the greatest threat of harm, as specified. Existing law identifies the cases that are to be given priority, which include cases of repeated acts of excessively prescribing, furnishing, or administering controlled substances without a good faith prior examination of the patient. Existing law provides that a violation of the Medical Practice Act is a crime.

This bill would require the board to consult with the Center for Medicinal Cannabis Research on developing and adopting medical guidelines for the appropriate administration and use of marijuana.

The bill would also make it a misdemeanor for a physician and surgeon who recommends marijuana to a patient for a medical purpose to accept, solicit, or offer any remuneration from or to a licensed dispensing facility in which the physician and surgeon or his or her immediate family has a financial interest. By creating a new crime, the bill would impose a state-mandated local program.

The bill would provide that specified acts of recommending marijuana for medical purposes without a good faith examination are among the types of cases that should be given priority for investigation and prosecution by the board, as described above. The bill would further prohibit a physician and surgeon from recommending medical marijuana to a patient unless that person is the patient's attending physician, as defined. Because a violation of that provision would be a crime, the bill would impose a state-mandated local program.

(4) Existing law authorizes the legislative body of a city or county to impose various taxes, including a transactions and use tax at a rate of 0.25%, or a multiple thereof, if approved by the required vote of the legislative body and the required vote of qualified voters, and limits the combined rate of transactions and use taxes within a city or county to 2%.

This bill would authorize the board of supervisors of a county to impose a tax on the privilege of cultivating, dispensing, producing, processing, preparing, storing, providing, donating, selling, or distributing marijuana or products containing marijuana. The bill would authorize the tax to be imposed for either general or specific governmental purposes. The bill would require a tax imposed pursuant to this authority to be subject to any applicable voter approval requirement.

(5) Existing law exempts qualified patients, persons with valid identification cards, and the designated primary caregivers of qualified patients and persons with identification cards from certain crimes, including possession of concentrated cannabis and marijuana, cultivation of marijuana, and possession of marijuana for sale.

This bill would also exempt from those crimes an employee, officer, or board member of a licensed cultivation site or a licensed dispensing facility, except as specified.

(6) Existing law regulates the labor practices of agricultural employers.

This bill would include licensed cultivation sites and licensed dispensing facilities in the definition of agricultural employer.

(7) This bill would provide that its provisions are severable.

(8) Existing constitutional provisions require that a statute that limits the right of access to the meetings of public bodies or the writings of public officials and agencies be adopted with findings demonstrating the interest protected by the limitation and the need for protecting that interest.

This bill would make legislative findings to that effect.

(9) The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

Vote: majority. Appropriation: yes. Fiscal committee: yes.
State-mandated local program: yes.

The people of the State of California do enact as follows:

1 SECTION 1. The Legislature finds and declares all of the
2 following:

3 (a) In 1996, the people of the State of California enacted the
4 Compassionate Use Act of 1996, codified in Section 11362.5 of
5 the Health and Safety Code. The people of the State of California
6 declared that their purpose in enacting the measure was, among
7 other things, “to ensure that seriously ill Californians have the
8 right to obtain and use marijuana for medical purposes where that
9 medical use is deemed appropriate and has been recommended by
10 a physician who has determined that the person’s health would
11 benefit from the use of marijuana in the treatment of cancer,
12 anorexia, AIDS, chronic pain, spasticity, glaucoma, arthritis,
13 migraine, or any other illness for which marijuana provides relief.”

14 (b) The Compassionate Use Act of 1996 called on state
15 government to implement a plan for the safe and affordable
16 distribution of marijuana to all patients in medical need of
17 marijuana, while ensuring that nothing in that act would be
18 construed to condone the diversion of marijuana for nonmedical
19 purposes.

20 (c) In 2003, the Legislature enacted the Medical Marijuana
21 Program Act (MMPA), codified in Article 2.5 (commencing with
22 Section 11362.7) of Chapter 6 of Division 10 of the Health and
23 Safety Code.

24 (d) Greater certainty and minimum statewide standards are
25 urgently needed regarding the obligations of medical marijuana
26 facilities, and for the imposition and enforcement of regulations
27 to prevent unlawful cultivation and the diversion of marijuana to
28 nonmedical use.

1 (e) Despite the passage of the Compassionate Use Act of 1996
2 and the MMPA, because of the lack of an effective statewide
3 system for regulating and controlling medical marijuana, cities,
4 counties and local law enforcement officials have been confronted
5 with uncertainty about the legality of some medical marijuana
6 cultivation and distribution activities. The current state of affairs
7 makes law enforcement difficult and endangers patient safety
8 because of an inability to monitor the supply of medical marijuana
9 in the state and the lack of quality control, testing, and labeling
10 requirements.

11 (f) The California Constitution grants cities and counties the
12 authority to make and enforce, within their borders, “all local
13 police, sanitary, and other ordinances and regulations not in conflict
14 with the general laws.” This inherent local police power includes
15 broad authority to determine, for purposes of public health, safety,
16 and welfare, the appropriate uses of land within the local
17 jurisdiction’s borders. The police power, therefore, allows each
18 city and county to determine whether or not a medical marijuana
19 dispensary or other facility that makes medical marijuana available
20 may operate within its borders. This authority has been upheld by
21 *City of Riverside v. Inland Empire Patients Health and Wellness*
22 *Center, Inc.* (2013) 56 Cal.4th 729 and *County of Los Angeles v.*
23 *Hill* (2011) 192 Cal.App.4th 861. Nothing in this act shall diminish,
24 erode, or modify that authority.

25 (g) If a city or county determines that a dispensary or other
26 facility that makes medical marijuana available may operate within
27 its borders, then there is a need for the state to license these
28 dispensaries and other facilities for the purpose of adopting and
29 enforcing protocols for security standards at dispensaries and in
30 the transportation of medical marijuana, as well as health and safety
31 standards to ensure patient safety. This licensing requirement is
32 not intended in any way nor shall it be construed to preempt local
33 ordinances, regulations, or enforcement actions regarding the sale
34 and use of medical marijuana, including, but not limited to,
35 security, signage, lighting, and inspections.

36 (h) All of the following are necessary to uphold important state
37 goals:

38 (1) Strict provisions to prevent the potential diversion of
39 marijuana for recreational use.

1 (2) Audits to accurately track the volume of both product
2 movement and sales.

3 (3) An effective means of restricting nonmedical access to
4 medical marijuana by minors.

5 (i) Nothing in this act shall be construed to promote or facilitate
6 the nonmedical, recreational possession, sale, or use of marijuana.

7 (j) Nothing in this act shall have a diminishing effect on the
8 rights and protections granted to a patient or primary caregiver
9 pursuant to the Compassionate Use Act of 1996.

10 SEC. 2. Section 2220.05 of the Business and Professions Code
11 is amended to read:

12 2220.05. (a) In order to ensure that its resources are maximized
13 for the protection of the public, the Medical Board of California
14 shall prioritize its investigative and prosecutorial resources to
15 ensure that physicians and surgeons representing the greatest threat
16 of harm are identified and disciplined expeditiously. Cases
17 involving any of the following allegations shall be handled on a
18 priority basis, as follows, with the highest priority being given to
19 cases in the first paragraph:

20 (1) Gross negligence, incompetence, or repeated negligent acts
21 that involve death or serious bodily injury to one or more patients,
22 such that the physician and surgeon represents a danger to the
23 public.

24 (2) Drug or alcohol abuse by a physician and surgeon involving
25 death or serious bodily injury to a patient.

26 (3) Repeated acts of clearly excessive prescribing, furnishing,
27 or administering of controlled substances, or repeated acts of
28 prescribing, dispensing, or furnishing of controlled ~~substances~~
29 *substances, or recommending marijuana to patients for medical*
30 *purposes*, without a good faith prior examination of the patient
31 and medical reason therefor. However, in no event shall a physician
32 and surgeon prescribing, furnishing, or administering controlled
33 substances for intractable pain consistent with lawful prescribing,
34 including, but not limited to, Sections 725, 2241.5, and 2241.6 of
35 this code and Sections 11159.2 and 124961 of the Health and
36 Safety Code, be prosecuted for excessive prescribing and prompt
37 review of the applicability of these provisions shall be made in
38 any complaint that may implicate these provisions.

39 (4) Sexual misconduct with one or more patients during a course
40 of treatment or an examination.

1 (5) Practicing medicine while under the influence of drugs or
2 alcohol.

3 (b) The board may by regulation prioritize cases involving an
4 allegation of conduct that is not described in subdivision (a). Those
5 cases prioritized by regulation shall not be assigned a priority equal
6 to or higher than the priorities established in subdivision (a).

7 (c) The Medical Board of California shall indicate in its annual
8 report mandated by Section 2312 the number of temporary
9 restraining orders, interim suspension orders, and disciplinary
10 actions that are taken in each priority category specified in
11 subdivisions (a) and (b).

12 SEC. 3. Article 25 (commencing with Section 2525) is added
13 to Chapter 5 of Division 2 of the Business and Professions Code,
14 to read:

15
16 Article 25. Recommending Medical Marijuana

17
18 2525. (a) It is unlawful for a physician and surgeon who
19 recommends marijuana to a patient for a medical purpose to accept,
20 solicit, or offer any form of remuneration from or to a facility
21 issued a conditional license pursuant to Part 5 (commencing with
22 Section 18100) of Division 7, if the physician and surgeon or his
23 or her immediate family have a financial interest in that facility.

24 (b) For the purposes of this section, “financial interest” shall
25 have the same meaning as in Section 650.01.

26 (c) A violation of this section shall be a misdemeanor.

27 2525.1. The Medical Board of California shall consult with
28 the California Marijuana Research Program, known as the Center
29 for Medicinal Cannabis Research, authorized pursuant to Section
30 11362.9 of the Health and Safety Code, on developing and adopting
31 medical guidelines for the appropriate administration and use of
32 medical marijuana.

33 2525.2. A physician and surgeon shall not recommend medical
34 marijuana to a patient, unless that person is the patient’s attending
35 physician, as defined by subdivision (a) of Section 11362.7 of the
36 Health and Safety Code.

37 2525.3. An examination conducted by the physician and
38 surgeon involving the use of telehealth as defined in Section 2290.5
39 of the Business and Professions Code, shall comply with applicable
40 federal and state laws and regulations, including compliance with

1 the regulations promulgated pursuant to the Health Insurance
2 Portability and Accountability Act of 1996, found at Parts 160 and
3 164 of Title 45 of the Code of Federal Regulations.

4 SEC. 4. Part 5 (commencing with Section 18100) is added to
5 Division 7 of the Business and Professions Code, to read:

6
7 PART 5. MEDICAL MARIJUANA

8
9 CHAPTER 1. GENERAL PROVISIONS

10
11 18100. For purposes of this part, the following definitions shall
12 apply:

13 (a) “Bureau” means the Bureau of Medical Marijuana Regulation
14 in the Department of Consumer Affairs.

15 (b) “Certified testing laboratory” means a laboratory that is
16 certified by the bureau to perform random sample testing of
17 medical marijuana pursuant to the certification standards for these
18 facilities promulgated by the bureau.

19 (c) “Chief” means the Chief of the Bureau of Medical Marijuana
20 Regulation.

21 (d) “Department” means the Department of Consumer Affairs.

22 (e) “Director” means the Director of Consumer Affairs.

23 (f) “Dispensary” means a distribution operation that provides
24 medical marijuana or medical marijuana derived products to
25 patients and caregivers.

26 (g) “Fund” means the Medical Marijuana Regulation Fund
27 established pursuant to Section 18118.

28 (h) “Labor peace agreement” means an agreement between an
29 entity and a bona fide labor organization that, at a minimum,
30 protects the state’s proprietary interests by prohibiting labor
31 organizations and members from engaging in picketing, work
32 stoppages, boycotts, and any other economic interference with the
33 applicant’s business. The agreement means that the applicant has
34 agreed not to disrupt efforts by the bona fide labor organization
35 to communicate with, and attempt to organize and represent, the
36 applicant’s employees.

37 (i) “Licensed cultivation site” means a facility that plants, grows,
38 cultivates, harvests, dries, or processes medical marijuana and that
39 is issued a conditional license pursuant to this part.

1 (j) “Licensed dispensing facility” means a dispensary or other
2 facility that provides medical marijuana, medical marijuana
3 products, or devices for the use of medical marijuana or medical
4 marijuana products that is issued a conditional license pursuant to
5 this part.

6 (k) “Licensed manufacturer” means a person who extracts,
7 prepares, derives, produces, compounds, or repackages medical
8 marijuana or medical marijuana products into consumable and
9 nonconsumable forms and that is issued a conditional license
10 pursuant to this part.

11 (l) “Licensed transporter” means an individual or entity issued
12 a conditional license by the bureau to transport medical marijuana
13 to and from facilities that have been issued conditional licenses
14 pursuant to this part.

15 (m) “Marijuana” means all parts of the plant *Cannabis sativa*,
16 *cannabis indica*, or *cannabis ruderalis*, whether growing or not;
17 the seeds thereof; the resin, whether crude or purified, extracted
18 from any part of the plant; and every compound, manufacture, salt,
19 derivative, mixture, or preparation of the plant, its seeds, or resin.
20 “Marijuana” does not include the mature stalks of the plant, fiber
21 produced from the stalks, oil or cake made from the seeds of the
22 plant, any other compound, manufacture, salt, derivative, mixture,
23 or preparation of the mature stalks (except the resin extracted
24 therefrom), fiber, oil, or cake, or the sterilized seed of the plant
25 which is incapable of germination. “Marijuana” also means
26 marijuana, as defined by Section 11018 of the Health and Safety
27 Code.

28 18101. (a) There is hereby created in the Department of
29 Consumer Affairs the Bureau of Medical Marijuana Regulation,
30 under the supervision and control of the Chief of the Bureau of
31 Medical Marijuana Regulation.

32 (b) Protection of the public shall be the highest priority for the
33 bureau in exercising its licensing, regulatory, and disciplinary
34 functions. Whenever the protection of the public is inconsistent
35 with other interests sought to be promoted, the protection of the
36 public shall be paramount.

37 (c) The bureau shall have the authority to issue conditional
38 licenses for the cultivation, manufacture, transportation, storage,
39 distribution, and sale of medical marijuana within the state and to
40 collect fees in connection with these actions. The bureau shall have

1 the authority to create other licenses in order to protect patient
2 health and the public and to facilitate the regulation of medical
3 marijuana.

4 (d) The Governor shall appoint the chief at a salary to be fixed
5 and determined by the director with the approval of the Director
6 of Finance. The chief shall serve in accordance with the State Civil
7 Service Act (Part 2 (commencing with Section 18500) of Division
8 5 of Title 2 of the Government Code).

9 (e) The duty of enforcing and administering this part shall be
10 vested in the chief, who is responsible to the director. The chief
11 may adopt and enforce those rules and regulations that he or she
12 determines are reasonably necessary to carry out the purposes of
13 this part and declaring the policy of the bureau, including a system
14 for the issuance of citations for violations of this part, as specified
15 in Section 18126.

16 (f) The chief, as necessary to carry out the provisions of this
17 part, and in accordance with the State Civil Service Act (Part 2
18 (commencing with Section 18500) of Division 5 of Title 2 of the
19 Government Code), may appoint and fix the compensation of
20 personnel, including, but not limited to, clerical, inspection,
21 investigation, and auditing personnel, as well as an assistant chief.
22 These personnel shall perform their respective duties under the
23 supervision and the direction of the chief.

24 (g) Every power granted to, or duty imposed upon, the chief
25 under this part may be exercised or performed in the name of the
26 chief by a deputy or assistant chief, subject to conditions and
27 limitations that the chief prescribes.

28 (h) The bureau shall exercise its authority pursuant to this part
29 consistent with Section 1 of the act that added this section and
30 consistent with the provisions of this part.

31 18102. Funds for the establishment and support of the bureau
32 shall be advanced as a loan by the department and shall be repaid
33 by the initial proceeds from fees collected pursuant to this part or
34 any rule or regulation adopted pursuant to this part.

35 18103. The bureau shall have the authority necessary for the
36 implementation of this part, including, but not limited to, all of
37 the following:

38 (a) Establishing rules or regulations necessary to carry out the
39 purposes and intent of this part and to enable the bureau to exercise
40 the powers and perform the duties conferred upon it by this part

1 and in accordance with Chapter 3.5 (commencing with Section
2 11340) of Part 1 of Division 3 of Title 2 of the Government Code.
3 For the performance of its duties, the bureau has the powers as set
4 forth in Article 2 (commencing with Section 11180) of Chapter 2
5 of Part 1 of Division 3 of Title 2 of the Government Code.

6 (b) Issuing conditional licenses to persons for the cultivation,
7 manufacture, transportation, storage, distribution, and sale of
8 medical marijuana within the state.

9 (c) Setting application, licensing, and renewal fees for
10 conditional licenses issued pursuant to Section 18117.

11 (d) Establishing standards for the cultivation, manufacturing,
12 transportation, storage, distribution, provision, donation, and sale
13 of medical marijuana and medical marijuana products.

14 (e) Establishing procedures for the issuance, renewal,
15 suspension, denial, and revocation of conditional licenses.

16 (f) Imposing a penalty authorized by this part or any rule or
17 regulation adopted pursuant to this part.

18 (g) Taking action with respect to an application for a conditional
19 license in accordance with procedures established pursuant to this
20 part.

21 (h) Overseeing the operation of the Medical Marijuana
22 Regulation Fund and the Special Account for Environmental
23 Enforcement, established pursuant to Section 18118.

24 (i) Consulting with other state or local agencies, departments,
25 representatives of the medical marijuana community, or public or
26 private entities for the purposes of establishing statewide standards
27 and regulations.

28 (j) Certifying laboratories to perform testing of medical
29 marijuana.

30 18104. (a) On or before July 1, 2017, the bureau shall
31 promulgate regulations for implementation and enforcement of
32 this part, including, but not limited to, all of the following:

33 (1) Procedures for the issuance, renewal, suspension, denial,
34 and revocation of conditional licenses.

35 (2) Procedures for appeal of fines and the appeal of denial,
36 suspension, or revocation of conditional licenses.

37 (3) Application, licensing, and renewal forms and fees.

38 (4) A time period in which the bureau shall approve or deny an
39 application for a conditional license pursuant to this part.

40 (5) Qualifications for licensees.

1 (6) Standards for certification of testing laboratories to perform
2 random sample testing of all medical marijuana products, including
3 standards for onsite testing.

4 (A) Certification of testing laboratories shall be consistent with
5 general requirements for the competence of testing and calibration
6 activities, including sampling, using standard methods established
7 by the International Organization for Standardization, specifically
8 ISO/IEC 17025.

9 (B) These requirements shall apply to all entities, including
10 third-party laboratories, engaged in the testing of medical marijuana
11 pursuant to this part.

12 (7) Requirements to ensure conformance with standards
13 analogous to state statutory environmental, agricultural, consumer
14 protection, and food and product safety requirements. At a
15 minimum, these standards shall do all of the following:

16 (A) Prescribe sanitation standards analogous to the California
17 Retail Food Code (Part 7 (commencing with Section 113700) of
18 Division 104 of the Health and Safety Code) for food preparation,
19 storage, handling, and sale of edible medical marijuana products.

20 (B) Require that edible medical marijuana products produced,
21 distributed, provided, donated, or sold by licensees shall be limited
22 to nonpotentially hazardous food, as established by the State
23 Department of Public Health pursuant to Section 114365.5.

24 (C) Require that facilities in which edible medical marijuana
25 products are prepared shall be constructed in accordance with
26 applicable building standards, health and safety standards, and
27 other state laws.

28 (D) Provide that weighing or measuring devices used in
29 connection with the sale or distribution of medical marijuana are
30 required to meet standards analogous to Division 5 (commencing
31 with Section 12001).

32 (E) Require that the application of pesticides or other pest
33 control in connection with the indoor or outdoor cultivation of
34 medical marijuana shall meet standards analogous to Division 6
35 (commencing with Section 11401) of the Food and Agricultural
36 Code and its implementing regulations.

37 (b) On or before July 1, 2017, the bureau shall also promulgate
38 regulations for minimum statewide health and safety standards
39 and quality assurance standards associated with the cultivation,
40 transport, storage, manufacture, and sale of all medical marijuana

1 produced in this state. Consistent with Section 18126, local
2 agencies shall have primary responsibility for enforcement of these
3 standards in accordance with bureau regulations.

4 (c) The bureau shall not issue a conditional license unless the
5 applicant has met all of the requirements of this part, including the
6 requirements of paragraph (4) of subdivision (d) of Section 18110.

7 18105. The chief shall keep a complete record of all facilities
8 issued a conditional license. This record shall be made available
9 on the bureau's Internet Web site.

10 18106. The bureau shall establish procedures to provide state
11 and local law enforcement, upon their request, with 24-hour access
12 to information to verify a conditional license, track transportation
13 manifests, and track the inventories of facilities issued a conditional
14 license.

15 18107. This part shall in no way supersede the provisions of
16 Measure D, approved by the voters of the City of Los Angeles on
17 the May 21, 2013, ballot for the city, which granted medical
18 marijuana businesses and dispensaries qualified immunity
19 consistent with the terms of the measure and local ordinances.
20 Notwithstanding the provisions of this part, marijuana businesses
21 and dispensaries subject to the provisions of Measure D and its
22 qualified immunity shall continue to be subject to the ordinances
23 and regulations of the City of Los Angeles.

24
25 CHAPTER 2. CONDITIONAL LICENSES
26

27 18108. The following persons are exempt from the requirement
28 of licensure under this part:

29 (a) A patient who cultivates, possesses, stores, manufactures,
30 or transports marijuana exclusively for his or her personal medical
31 use and who does not sell, distribute, donate, or provide marijuana
32 to any other person or entity.

33 (b) A primary caregiver who cultivates, possesses, stores,
34 manufactures, transports, or provides marijuana exclusively for
35 the personal medical purposes to no more than five specified
36 qualified patients for whom he or she is the primary caregiver
37 within the meaning of Section 11362.7 of the Health and Safety
38 Code and who does not receive remuneration for these activities,
39 except for compensation in full compliance with subdivision (c)
40 of Section 11362.765 of the Health and Safety Code. Nothing in

1 this section shall permit primary caregivers to organize themselves
2 as cooperatives or collectives of caregivers.

3 18109. (a) Except as provided in Section 11362.5 of, and
4 Article 2.5 (commencing with Section 11362.7) of Chapter 6 of
5 Division 10 of, the Health and Safety Code, a person shall not sell
6 or provide medical marijuana to a patient or caregiver other than
7 at a licensed dispensing facility or through delivery from a licensed
8 dispensing facility.

9 (b) Except as provided in Section 11362.5 of, and Article 2.5
10 (commencing with Section 11362.7) of Chapter 6 of Division 10
11 of, the Health and Safety Code, a person shall not grow medical
12 marijuana other than at a licensed cultivation site.

13 (c) Except as provided in Section 11362.5 of, and Article 2.5
14 (commencing with Section 11362.7) of Chapter 6 of Division 10
15 of, the Health and Safety Code, a person shall not manufacture
16 medical marijuana or medical marijuana products other than a
17 licensed manufacturer.

18 (d) A person shall not transport medical marijuana from one
19 facility issued a conditional license to another, other than a licensed
20 transporter.

21 (e) A licensed manufacturer may obtain medical marijuana from
22 a licensed cultivator and may furnish medical marijuana products
23 to a licensed dispensary.

24 (f) To meet the requirements of Article 8 (commencing with
25 Section 111658) of Chapter 6 of Part 5 of Division 104 of the
26 Health and Safety Code, medical marijuana and medical marijuana
27 products shall be tested by a certified testing laboratory.

28 18110. (a) Beginning July 1, 2017, the bureau shall provide
29 for and shall issue conditional licenses. Conditional licenses shall
30 be issued for all activity authorized under this chapter, including,
31 but not limited to, cultivation, storage, transport, and dispensing
32 of medical marijuana.

33 (b) The issuance of a conditional license shall not, in and of
34 itself, authorize the recipient to begin business operations. The
35 conditional license shall certify, at a minimum, that the applicant
36 has paid the state conditional licensing fee, successfully passed a
37 criminal background check, and met the state residency
38 requirements.

39 (c) In order to begin business operations pursuant to this chapter,
40 an applicant shall, in addition to the conditional license, obtain a

1 license or permit from the local jurisdiction in which he or she
2 proposes to operate, following the requirements of the applicable
3 local ordinances.

4 (d) An applicant for a conditional license shall do all following:

5 (1) Pay the fee or fees required by this part for each license
6 being applied for.

7 (2) Register with the bureau on forms prescribed by the chief.
8 The forms shall contain sufficient information to identify the
9 licensee, including all of the following:

10 (A) Name of the owner or owners of a proposed facility,
11 including all persons or entities having an ownership interest other
12 than a security interest, lien, or encumbrance on property that will
13 be used by the applicant.

14 (B) The name, address, and date of birth of each principal officer
15 and board member.

16 (C) The address and telephone number of the proposed facility.

17 (D) In the case of a cultivation site, the GPS coordinates of the
18 site.

19 (3) Describe, in writing, the scope of business of the proposed
20 facility.

21 (4) Provide evidence that the applicant and owner have been
22 legal full-time residents of the state for not less than 12 months.

23 (5) Provide detailed operating procedures, in writing, for the
24 proposed facility, which shall include, but not be limited to,
25 procedures for facility and operational security, prevention of
26 diversion, employee screening, storage of medical marijuana,
27 personnel policies, and recordkeeping procedures.

28 (6) Provide the applicant's fingerprint images. For purposes of
29 this paragraph, "applicant" means the owner or owners of a
30 proposed facility, including all persons or entities having an
31 ownership interest other than a security interest, lien, or
32 encumbrance on property that will be used by the facility.

33 (A) The applicant shall electronically submit to the Department
34 of Justice fingerprint images and related information required by
35 the Department of Justice for the purpose of obtaining information
36 as to the existence and content of a record of state or federal
37 convictions and arrests, and information as to the existence and
38 content of a record of state or federal convictions and arrests for
39 which the Department of Justice establishes that the person is free
40 on bail, or on his or her own recognizance, pending trial or appeal.

1 (B) The Department of Justice shall provide a response to the
2 bureau pursuant to paragraph (1) of subdivision (p) of Section
3 11105 of the Penal Code.

4 (C) The bureau shall request from the Department of Justice
5 subsequent notification service, as provided pursuant to Section
6 11105.2 of the Penal Code, for persons described in subparagraph
7 (A).

8 (D) The Department of Justice shall charge the applicant a fee
9 sufficient to cover the reasonable cost of processing the requests
10 described in this paragraph.

11 (7) Provide a statement, signed by the applicant under penalty
12 of perjury, that the information provided is true.

13 (8) Provide any other information required by the bureau.

14 (e) Each location and each discrete use of a single location shall
15 require a conditional license. Each application for a conditional
16 license is separate and distinct, and the bureau may charge a
17 separate fee for each.

18 (f) A conditional license issued pursuant to this section shall be
19 valid for 12 months after the date of issuance. The bureau shall
20 establish procedures for the renewal of a conditional license.

21 18111. (a) Upon receipt of the application materials and fee
22 required in Section 18110, the bureau, provided the applicant has
23 not committed an act or crime constituting grounds for the denial
24 of licensure under Section 18112, may issue the conditional license
25 and send a proof of issuance to the applicant.

26 (b) The chief shall, by regulation, prescribe conditions upon
27 which a person whose conditional license has previously been
28 denied, suspended, or revoked, may be issued a conditional license.

29 18112. (a) An application for a conditional license shall be
30 denied and a conditional license shall be suspended or revoked for
31 a past felony conviction for the possession for sale, sale,
32 manufacture, transportation, or cultivation of a controlled
33 substance, a felony criminal conviction for drug trafficking, a
34 felony conviction for embezzlement, a felony conviction involving
35 fraud or deceit, or any violent or serious felony conviction pursuant
36 to subdivision (c) of Section 667.5 of, or subdivision (c) of Section
37 1192.7 of, the Penal Code. The bureau, at its discretion, may issue
38 a license to an applicant that would be otherwise denied pursuant
39 to this subdivision if the applicant has obtained a certificate of
40 rehabilitation, pursuant to Section 4852.13 of the Penal Code.

1 (b) The chief, upon his or her determination, may deny, suspend,
2 or revoke a conditional license when a conditional licensee,
3 applicant, or employee, partner, officer, or member of an entity
4 conditionally licensed does any of the following:

5 (1) Making or authorizing in any manner or by any means a
6 written or oral statement that is untrue or misleading and that is
7 known, or that by exercise of reasonable care should be known,
8 to be untrue or misleading.

9 (2) Any other conduct that constitutes fraud.

10 (3) Conduct constituting gross negligence.

11 (4) Failure to comply with the provisions of this part, Article 8
12 (commencing with Section 111658) of Chapter 6 of Part 5 of
13 Division 104 of the Health and Safety Code, or any rule or
14 regulation adopted pursuant to this part.

15 (5) Conduct that constitutes grounds for denial of licensure
16 pursuant to Chapter 2 (commencing with Section 480) of Division
17 1.5.

18 18113. (a) Upon denying, suspending, or revoking a
19 conditional license, the chief shall notify the applicant or licensee,
20 in writing, by personal service or mail addressed to the address of
21 the applicant or licensee set forth in the application. The applicant
22 or licensee shall be given a hearing within 30 days thereafter if he
23 or she files with the bureau a written request for hearing. Otherwise,
24 the denial, suspension, or revocation is deemed affirmed.

25 (b) All proceedings to deny, suspend, or revoke a conditional
26 license shall be conducted pursuant to Chapter 5 (commencing
27 with Section 11500) of Part 1 of Division 3 of Title 2 of the
28 Government Code.

29 18114. An application for or renewal of a license shall not be
30 approved if the bureau determines any of the following:

31 (a) The applicant fails to meet the requirements of this part or
32 any regulation adopted pursuant to this part or any applicable city,
33 county, or city and county ordinance or regulation. If a local
34 government adopts an ordinance or resolution authorizing medical
35 marijuana to be cultivated, manufactured, stored, distributed, or
36 sold within its jurisdiction, it shall submit to the bureau
37 documentation detailing their renewal requirements.

38 (b) The applicant, or any of its officers, directors, owners,
39 members, or shareholders, is a minor.

1 (c) The applicant has knowingly answered a question or request
2 for information falsely on the application form or failed to provide
3 information requested.

4 (d) The applicant, or any of its officers, directors, owners,
5 members, or shareholders has been sanctioned by the bureau, a
6 city, county, or city and county, for medical marijuana activities
7 conducted in violation of this part or any applicable local ordinance
8 or has had a license revoked in the previous five years.

9 (e) The proposed cultivation, processing, possession, storage,
10 manufacturing, testing, transporting, distribution, provision, or
11 sale of medical marijuana will violate any applicable local law or
12 ordinance.

13 (f) The applicant or the owner is unable to establish that he or
14 she has been a resident of the state for not less than 12 months.

15 18115. In addition to the provisions of this part, a conditional
16 license shall be subject to the restrictions of the local jurisdiction
17 in which the facility operates or proposes to operate. Even if a
18 conditional license has been granted pursuant to this part, a facility
19 shall not operate in a local jurisdiction that prohibits the
20 establishment of that type of business.

21 18116. The bureau may adopt regulations to limit the number
22 of conditional licenses issued pursuant to this part upon a finding
23 that the otherwise unrestricted issuance of conditional licenses is
24 dangerous to the public health and safety.

25
26 CHAPTER 3. FEES
27

28 18117. (a) The conditional licensing fee shall be established
29 by the bureau at a level sufficient to fund the reasonable costs of
30 all of the following:

31 (1) Administrative costs incurred by the bureau in overseeing
32 the conditional licensing program, establishing health and safety
33 standards, and certifying the required testing laboratories.

34 (2) Costs incurred by the bureau or the Department of Justice
35 for enforcement of the provisions of this part.

36 (3) Costs incurred by law enforcement and other public safety
37 entities for enforcing the provisions of this part in their jurisdiction.

38 (b) In addition to the conditional licensing fee required pursuant
39 to subdivision (a), a cultivation facility shall be assessed a fee in
40 a sufficient amount to cover the reasonable regulatory costs of

1 enforcing the environmental impact provisions relating to those
2 cultivation facilities. This fee shall be distributed, as necessary
3 and in proportion to its regulatory function, between the following
4 agencies responsible for enforcing the regulations relating to the
5 environmental impact of licensed cultivation sites:

- 6 (1) The State Water Board.
- 7 (2) The Department of Fish and Wildlife.
- 8 (3) The Department of Forestry and Fire Protection.
- 9 (4) The Department of Pesticide Regulation.
- 10 (5) The Department of Food and Agriculture.

11 18118. (a) The Medical Marijuana Regulation Fund is hereby
12 established within the State Treasury. Notwithstanding Section
13 16305.7 of the Government Code, the fund shall include any
14 interest and dividends earned on the money in the fund.

15 (b) Except as provided in subdivision (c), all fees collected
16 pursuant to this part shall be deposited into the Medical Marijuana
17 Regulation Fund. Notwithstanding Section 13340 of the
18 Government Code, all moneys within the fund are hereby
19 continuously appropriated, without regard to fiscal year, to the
20 bureau solely for the purposes of fully funding and administering
21 this part, including, but not limited to, the costs incurred by the
22 bureau for its administrative expenses.

23 (c) The Special Account for Environmental Enforcement is
24 hereby established as an account within the Medical Marijuana
25 Regulation Fund. Notwithstanding Section 16305.7 of the
26 Government Code, the account shall include any interest and
27 dividends earned on the money in the account. All fees collected
28 pursuant to subdivision (b) of Section 18112 shall be deposited in
29 this account. Notwithstanding Section 13340 of the Government
30 Code, all moneys within the fund are hereby continuously
31 appropriated, without regard to fiscal year, to the bureau for
32 distribution to the entities listed in subdivision (b) of Section 18117
33 to be used to enforce the environmental regulation of licensed
34 cultivation sites.

35 (d) All moneys collected as a result of penalties imposed under
36 this part shall be deposited directly into the General Fund, to be
37 available upon appropriation.

38 (e) The bureau may establish and administer a grant program
39 to allocate moneys from the Medical Marijuana Regulation Fund
40 to state and local entities for the purpose of assisting with medical

1 marijuana regulation and the enforcement of this part and other
2 state and local laws applicable to licensees.

3 18119. (a) A facility issued a conditional license shall not
4 acquire, cultivate, process, possess, store, manufacture, distribute,
5 sell, deliver, transfer, transport, or dispense medical marijuana for
6 any purpose other than those authorized by Article 2.5
7 (commencing with Section 11362.7) of Chapter 6 of Division 10
8 of the Health and Safety Code.

9 (b) A licensed dispensing facility shall not acquire, cultivate,
10 process, possess, store, manufacture, distribute, sell, deliver,
11 transfer, transport, or dispense medical marijuana plants or medical
12 marijuana products except through a licensed cultivation site or a
13 licensed manufacturer.

14

15 CHAPTER 4. TRANSPORTATION OF MEDICAL MARIJUANA

16

17 18120. (a) A licensed transporter shall ship only to facilities
18 issued a conditional license and only in response to a request for
19 a specific quantity and variety from those facilities.

20 (b) Prior to transporting medical marijuana products, a licensed
21 transporter shall do both of the following:

22 (1) Complete a shipping manifest using a form prescribed by
23 the bureau.

24 (2) Securely transmit a copy of the manifest to the licensee that
25 will receive the medical marijuana product, and to the bureau,
26 prior to transport.

27 (c) The licensed transporter making the shipment and the
28 licensee receiving the shipment shall maintain each shipping
29 manifest and make it available to local code enforcement officers,
30 any other locally designated enforcement entity, and the bureau
31 upon request.

32 18121. (a) Transported medical marijuana products shall:

33 (1) Be transported only in a locked, safe, and secure storage
34 compartment that is securely affixed to the interior of the
35 transporting vehicle.

36 (2) Not be visible from outside the vehicle.

37 (b) A vehicle transporting medical marijuana products shall
38 travel directly from one licensed facility to another licensed facility
39 authorized to receive the shipment.

1 18122. (a) All transport vehicles shall be staffed with a
2 minimum of two employees. At least one transport team member
3 shall remain with the vehicle at all times when the vehicle contains
4 medical marijuana.

5 (b) Each transport team member shall have access to a secure
6 form of communication by which each member can communicate
7 with personnel at the licensed facility at all times when the vehicle
8 contains medical marijuana.

9 (c) Each transport team member shall possess documentation
10 of licensing and a government-issued identification card at all
11 times when transporting or delivering medical marijuana and shall
12 produce it to any representative of the bureau or law enforcement
13 upon request.

14 (d) This part shall not be construed to authorize or permit a
15 licensee to transport, or cause to be transported, medical marijuana
16 or medical marijuana products outside the state.

17 18123. A local jurisdiction shall not prevent transportation
18 through or to a facility issued a conditional license, by a
19 conditionally licensed transporter who acts in compliance with
20 this part.

21
22 CHAPTER 5. ENFORCEMENT
23

24 18124. A state agency is not required by this section to enforce
25 a city, county, city and county, or local law, ordinance, rule, or
26 regulation regarding the site or operation of a facility issued a
27 conditional license.

28 18125. The bureau may assist state taxation authorities in the
29 development of uniform policies for the state taxation of licensees.

30 18126. (a) For facilities issued a conditional license that are
31 located within the incorporated area of a city, the city shall have
32 full power and authority to enforce this part and Article 8
33 (commencing with Section 111658) of Chapter 6 of Part 5 of
34 Division 104 of the Health and Safety Code and the rules,
35 regulations, and standards promulgated by the bureau. The city
36 shall further assume complete responsibility for any regulatory
37 function relating to those licensees within the city limits that would
38 otherwise be performed by the county or any county officer or
39 employee, without liability, cost, or expense to the county.

1 (b) For licensed facilities located within the unincorporated area
2 of a county, the county shall have full power and authority to
3 enforce this part and Article 8 (commencing with Section 111658)
4 of Chapter 6 of Part 5 of Division 104 of the Health and Safety
5 Code and the rules, regulations, and standards promulgated by the
6 bureau.

7 18127. (a) A willful violation of Section 18110, including an
8 attempt to falsify information on an application or to otherwise
9 defraud or mislead a state or local agency in the course of the
10 application process, shall be punishable by a civil fine of up to
11 thirty-five thousand dollars (\$35,000) for each individual violation.

12 (b) A technical violation of Section 18110 shall, at the bureau's
13 discretion, be punishable by a civil fine of up to ten thousand
14 dollars (\$10,000) for each individual violation.

15 18128. A district attorney, county counsel, city attorney, or
16 city prosecutor may bring an action to enjoin a violation or the
17 threatened violation of any provision of this part, including, but
18 not limited to, a licensee's failure to correct objectionable
19 conditions following notice or as a result of a rule promulgated
20 pursuant to this part. The action shall be brought in the county in
21 which the violation occurred or is threatened to occur. A proceeding
22 brought pursuant to this part shall conform to the requirements of
23 Chapter 3 (commencing with Section 525) of Title 7 of Part 2 of
24 the Code of Civil Procedure. Nothing in this section shall diminish
25 the authority of a local government to take requisite enforcement
26 actions pertaining to its own ordinances or regulations.

27 18129. Nothing in this part shall prevent a city or other local
28 governing body from taking action as specified in Section 11362.83
29 of the Health and Safety Code.

30 18130. This part shall not be construed to limit a law
31 enforcement agency's ability to investigate unlawful activity in
32 relation to a facility issued a conditional license.

33
34 CHAPTER 6. CANNABIS EMPLOYEES
35

36 18131. (a) The Division of Labor Standards Enforcement shall
37 do all of the following:

38 (1) Maintain minimum standards for the competency and
39 training of employees of a licensed cultivation site or a licensed

1 dispensing facility, as defined in subdivisions (i) and (j) of Section
2 18100, through a system of testing and certification.

3 (2) Maintain an advisory committee and panels as necessary to
4 carry out its functions under this section. There shall be employer
5 representation on the committee and panels.

6 (3) Establish and collect certification fees not to exceed the
7 reasonable cost to the division in issuing certifications.

8 (4) Adopt regulations necessary to implement this chapter.

9 (5) Issue certification cards to employees who have been
10 certified pursuant to this chapter.

11 (6) Maintain a cannabis certification curriculum committee
12 made up of representatives of the State Department of Education,
13 the California Community Colleges, and the division. The
14 committee shall do all of the following:

15 (A) Establish written educational curriculum standards for
16 enrollees in training programs. Curriculum shall include appropriate
17 standards for the sale, processing, and cultivation of medical
18 marijuana including standards for dispensing, growing, harvesting,
19 packaging, labeling, preparing, transporting, delivering, testing,
20 storage, and preventing diversion of medical marijuana and related
21 products, including edible medical marijuana products.

22 (B) If an educational provider's curriculum meets the written
23 educational curriculum standards established in accordance with
24 subparagraph (A), designate that curriculum as an approved
25 curriculum of classroom instruction.

26 (C) At the committee's discretion, review the approved
27 curriculum of classroom instruction of any designated educational
28 provider. The committee may withdraw its approval of the
29 curriculum if the educational provider does not continue to meet
30 the established written educational curriculum standards.

31 (D) Require each designated educational provider to submit an
32 annual notice to the committee stating whether the educational
33 provider is continuing to offer the approved curriculum of
34 classroom instruction and whether material changes have been
35 made to the curriculum since its approval.

36 (b) There shall be no discrimination in favor of, or against, a
37 person based on membership or nonmembership in a union.

38 (c) For purposes of this chapter, the following definitions apply:

1 (1) “Cannabis employee” means an employee of a licensed
2 cultivation site or a licensed dispensing facility, as defined in
3 subdivisions (i) and (j) of Section 18100.

4 (2) “Committee” means the cannabis curriculum certification
5 committee established pursuant to paragraph (6) of subdivision
6 (a).

7 (3) “Division” means the Division of Labor Standards and
8 Enforcement.

9 18132. (a) Except as provided in subdivision (c), persons who
10 perform work as cannabis employees shall be certified by the
11 division.

12 (b) Individuals desiring to be certified shall submit an
13 application for certification and examination that includes an
14 employment history report from the Social Security Administration.
15 The individual may redact his or her social security number from
16 the employment history report before it is submitted.

17 (c) (1) Certification is not required for registered apprentices
18 working as cannabis employees as part of an apprenticeship
19 program approved under a federal Office of Apprenticeship
20 program or a state apprenticeship program authorized by the federal
21 Office of Apprenticeship. An apprentice who is within one year
22 of completion of his or her term of apprenticeship shall be
23 permitted to take the certification examination and, upon passing
24 the examination, shall be certified immediately upon completion
25 of the term of apprenticeship.

26 (2) Certification is not required for any person employed
27 pursuant to Section 18134.

28 (d) The following shall constitute additional grounds for
29 disciplinary proceedings, including suspension or revocation of
30 the conditional license issued pursuant to this part:

31 (1) The licensed cultivation site or licensed dispensing facility
32 willfully employs one or more uncertified persons to perform work
33 as cannabis employees in violation of this section or Section 18134.

34 (2) The licensed cultivation site or licensed dispensing facility
35 willfully fails to provide adequate supervision of uncertified
36 workers required by paragraph (3) of subdivision (a) of Section
37 18134.

38 (3) The licensed cultivation site or licensed dispensing facility
39 willfully fails to provide adequate supervision of apprentices
40 performing work pursuant to subdivision (c).

1 (e) The Labor Commissioner shall maintain a process for
2 referring cases to the bureau when it has been determined that a
3 violation of this section has likely occurred. The Labor
4 Commissioner shall have a memorandum of understanding with
5 the bureau in furtherance of this section.

6 (f) Upon receipt of a referral by the Labor Commissioner
7 alleging a violation under this section, the bureau shall open an
8 investigation. Disciplinary action against the licensee shall be
9 initiated within 60 days of the receipt of the referral. The bureau
10 may initiate disciplinary action against a licensee upon his or her
11 own investigation, the filing of a complaint, or a finding that results
12 from a referral from the Labor Commissioner alleging a violation
13 under this section. Failure of the employer or employee to provide
14 evidence of certification or apprentice status shall create a
15 rebuttable presumption of violation of this provision.

16 18133. The division shall do all of the following:

17 (a) Make information about cannabis employee certification
18 available in languages other than English to the extent the division
19 finds it appropriate.

20 (b) Provide for the administration of certification tests in Spanish
21 and, to the extent practicable, other languages spoken by a
22 substantial number of applicants, except when the ability to
23 understand warning signs, instructions, and certain other
24 information in English is necessary for safety, cultivation, and
25 dispensing.

26 (c) Ensure, in conjunction with the California Apprenticeship
27 Council, that all cannabis apprenticeship programs that impose
28 minimum formal education requirements as a condition of entry
29 provide for reasonable alternative means of satisfying those
30 requirements.

31 (d) Ensure, in conjunction with the California Apprenticeship
32 Council, that all cannabis apprenticeship programs have adopted
33 reasonable procedures for granting credit toward a term of
34 apprenticeship for other vocational training and on-the-job training
35 experience.

36 18134. (a) An uncertified person may perform work for which
37 certification is otherwise required in order to acquire the necessary
38 on-the-job experience for certification if all of the following
39 requirements are met:

1 (1) The person is registered with the division. A list of current
2 registrants shall be maintained by the division and made available
3 to the public upon request.

4 (2) The person either has completed or is enrolled in an approved
5 curriculum of classroom instruction.

6 (3) The employer attests that the person shall be under the direct
7 supervision of a cannabis employee certified pursuant to Section
8 18131 who is responsible for supervising no more than one
9 uncertified person. An employer who is found by the division to
10 have failed to provide adequate supervision may be barred by the
11 division from employing uncertified individuals in the future.

12 (b) For purposes of this section, “an approved curriculum of
13 classroom instruction” means a curriculum of classroom instruction
14 approved by the committee and provided under the jurisdiction of
15 the State Department of Education, the Board of Governors of the
16 California Community Colleges, or the Bureau for Private
17 Postsecondary and Vocational Education.

18 (c) The committee may grant approval to an educational provider
19 that presently offers only a partial curriculum if the educational
20 provider intends in the future to offer, or to cooperate with other
21 educational providers to offer, a complete curriculum for the type
22 of certification involved. The committee may require an
23 educational provider receiving approval for a partial curriculum
24 to periodically renew its approval with the committee until a
25 complete curriculum is offered and approved.

26 (d) An educational provider that receives approval for a partial
27 curriculum shall disclose in all communications to students and
28 to the public that the educational provider has only received
29 approval for a partial curriculum and shall not make any
30 representations that the provider offers a complete approved
31 curriculum of classroom instruction.

32 (e) For purposes of this section, a person is enrolled in an
33 approved curriculum of classroom instruction if the person is
34 attending classes on a full-time or part-time basis toward the
35 completion of an approved curriculum.

36 (f) Registration under this section shall be renewed annually
37 and the registrant shall provide to the division certification of the
38 classwork completed and on-the-job experience acquired since the
39 prior registration.

1 (g) For purposes of verifying the information provided by a
2 person registered with the division, an educational provider shall
3 provide an approved curriculum of classroom instruction, and
4 shall, upon the division's request, provide the division with
5 information regarding the enrollment status and instruction
6 completed by an individual registered. By registering with the
7 division in accordance with this section, the individual consents
8 to the release of this information.

9 (h) The division shall establish registration fees in an amount
10 reasonably necessary to implement this section, not to exceed
11 twenty-five dollars (\$25) for the initial registration. There shall be
12 no fee for annual renewal of registration. Fees shall be placed in
13 the Cannabis Certification Fund, established pursuant to Section
14 18135.

15 (i) Notwithstanding any other law, an uncertified person who
16 has completed an approved curriculum of classroom instruction
17 and is currently registered with the division may take the
18 certification examination. The person shall be certified upon
19 passing the examination and satisfactorily completing the requisite
20 number of on-the-job hours required for certification. A person
21 who passes the examination prior to completing the requisite hours
22 of on-the-job experience shall continue to comply with subdivision
23 (f).

24 18135. The Cannabis Certification Fund is established as a
25 special account in the State Treasury. Proceeds of the fund may
26 be expended by the division, upon appropriation by the Legislature,
27 for the costs of validating and certifying cannabis employees, as
28 provided by this chapter, and shall not be used for any other
29 purpose.

30

31 CHAPTER 7. REGULATION OF MEDICAL MARIJUANA

32

33 18136. (a) A person shall not distribute any form of advertising
34 for physician recommendations for medical marijuana in California
35 unless the advertisement bears the following notice to consumers:
36

37

38 NOTICE TO CONSUMERS: The Compassionate Use Act of
39 1996 ensures that seriously ill Californians have the right to obtain
40 and use marijuana for medical purposes where medical use is
deemed appropriate and has been recommended by a physician

1 who has determined that the person’s health would benefit from
2 the use of medical marijuana. Physicians are licensed and regulated
3 by the Medical Board of California and arrive at the decision to
4 make this recommendation in accordance with accepted standards
5 of medical responsibility.

6
7 (b) Advertising for physician recommendations for medical
8 marijuana shall meet all requirements of Section 651. Price
9 advertising shall not be fraudulent, deceitful, or misleading,
10 including statements or advertisements of bait, discounts,
11 premiums, gifts, or statements of a similar nature.

12 18137. (a) A facility issued a conditional license shall
13 implement sufficient security measures to both deter and prevent
14 unauthorized entrance into areas containing marijuana and theft
15 of marijuana at those facilities. These security measures shall
16 include, but not be limited to, all of the following:

17 (1) Preventing individuals from remaining on the premises of
18 the facility if they are not engaging in activity expressly related to
19 the operations of the facility.

20 (2) Establishing limited access areas accessible only to
21 authorized facility personnel.

22 (3) Storing all finished marijuana in a secured and locked room,
23 safe, or vault, and in a manner as to prevent diversion, theft, and
24 loss.

25 (b) A facility issued a conditional license shall notify appropriate
26 law enforcement authorities within 24 hours after discovering any
27 of the following:

28 (1) Discrepancies identified during inventory.

29 (2) Diversion, theft, loss, or any criminal activity involving the
30 facility or a facility agent.

31 (3) The loss or unauthorized alteration of records related to
32 marijuana, registered qualifying patients, personal caregivers, or
33 facility agents.

34 (4) Any other breach of security.

35 (c) A licensed cultivation site shall weigh, inventory, and
36 account for on video, all medical marijuana to be transported prior
37 to its leaving its origination location. Within eight hours after
38 arrival at the destination, the licensed dispensing facility shall
39 reweigh, reinventory, and account for on video, all transported
40 marijuana.

1 18138. (a) The bureau shall require an annual audit of all
2 facilities issued a conditional license to cultivate, manufacture,
3 process, transport, store, or sell medical marijuana. The reasonable
4 costs of the audit shall be paid for by the licensee.

5 (b) Completed audit reports shall also be submitted by the
6 licensee to local code enforcement offices, or the appropriate
7 locally designated enforcement entity, within 30 days of the
8 completion of the audit.

9 (c) It is the responsibility of each facility issued a conditional
10 license to develop a robust quality assurance protocol that includes
11 all of the provisions of this part.

12 18139. (a) A laboratory certified by the bureau to perform
13 random sample testing of medical marijuana products shall not
14 acquire, process, possess, store, transfer, transport, or dispense
15 medical marijuana for any purpose other than those authorized by
16 Article 2.5 (commencing with Section 11362.7) of Chapter 6 of
17 Division 10 of the Health and Safety Code. All transfer or
18 transportation shall be performed pursuant to a specified chain of
19 custody protocol.

20 (b) A laboratory certified by the bureau to perform random
21 sample testing of medical marijuana products shall not acquire,
22 process, possess, store, transfer, transport, or dispense medical
23 marijuana plants or medical marijuana products except through a
24 patient, primary caregiver, or a facility issued a conditional license.
25 All transfer or transportation shall be performed pursuant to a
26 specified chain of custody protocol.

27 18140. (a) Information identifying the names of patients, their
28 medical conditions, or the names of their primary caregivers
29 received and contained in records kept by the bureau for the
30 purposes of administering this part are confidential and exempt
31 from the California Public Records Act (Chapter 3.5 (commencing
32 with Section 6250) of Division 7 of Title 1 of the Government
33 Code) and are not subject to disclosure to an individual or private
34 entity, except as necessary for authorized employees of the state
35 to perform official duties pursuant to this part.

36 (b) (1) Nothing in this section shall preclude any of the
37 following:

38 (A) Bureau employees notifying state or local agencies about
39 information submitted to the bureau that the employee suspects is
40 falsified or fraudulent.

1 (B) Notifications from the bureau to state or local agencies of
2 apparent violations of this part or an applicable local ordinance.

3 (C) Verification of requests by state or local agencies to confirm
4 licenses and certificates issued by the bureau or other state agency.

5 (D) Providing information requested pursuant to a court order
6 or subpoena issued by a court, an administrative agency, or local
7 governing body authorized by law to issue subpoenas.

8 (2) Information shall not be disclosed beyond what is necessary
9 to achieve the goals of a specific investigation or notification or
10 the parameters of a specific court order or subpoena.

11 18141. (a) The actions of a licensee, its employees, and its
12 agents, that are permitted pursuant to a conditional license and that
13 are conducted in accordance with the requirements of this part and
14 regulations adopted pursuant to this part, are not unlawful under
15 state law and shall not be an offense subject to arrest or
16 prosecution.

17 (b) The actions of a person who, in good faith and upon
18 investigation, allows his or her property to be used by a licensee,
19 its employees, and its agents, as permitted pursuant to a conditional
20 license, are not unlawful under state law and shall not be an offense
21 subject to arrest or prosecution.

22 (c) This section shall not be deemed to limit the authority or
23 remedies of a city, county, or city and county under any provision
24 of law, including, without limitation, Section 7 of Article XI of
25 the California Constitution.

26 18142. (a) A licensee shall not cultivate, process, store,
27 manufacture, transport, or sell medical marijuana in the state unless
28 accurate records are kept at the licensed premises of the growing,
29 processing, storing, manufacturing, transporting, or selling by the
30 licensee in the state. These records shall include the name and
31 address of the supplier of marijuana received or possessed by the
32 licensee, the location at which the marijuana was cultivated, the
33 amount of marijuana received, the form in which it is received,
34 the name of the employee receiving it, and the date of receipt.
35 These records shall also include receipts for all expenditures
36 incurred by the licensee and banking records, if any, for all funds
37 obtained or expended in the performance of any activity under the
38 authority of the conditional license. A licensee who has a
39 conditional license for more than one premises may keep all records
40 at one of the conditionally licensed premises. Required records

1 shall be kept for a period of seven years from the date of the
2 transaction.

3 (b) The bureau and an appropriate state or local agency may
4 examine the books and records of a conditional licensee and may
5 visit and inspect the premises of a conditional licensee, as the
6 bureau or state or local agency deems necessary to perform its
7 duties under this part.

8 (c) Books or records requested by the bureau or an appropriate
9 state or local agency shall be provided by the conditional licensee
10 no later than five business days after the request is made.

11 (d) The bureau or a state or local agency may enter and inspect
12 the premises of a facility issued a conditional license between the
13 hours of 8 a.m. and 8 p.m. on any day that the facility is open, or
14 at any reasonable time, to ensure compliance and enforcement of
15 the provisions of this part or a local ordinance.

16 (e) If a licensee or an employee of a licensee refuses, impedes,
17 obstructs, or interferes with an inspection pursuant to subdivision
18 (d), the conditional license may be summarily suspended and the
19 bureau shall directly commence proceedings for the revocation of
20 the conditional license.

21 (f) If a licensee or an employee of a licensee fails to maintain
22 or provide the books and records required pursuant to this section,
23 the licensee shall be subject to a civil fine of fifteen thousand
24 dollars (\$15,000) per individual violation.

25 SEC. 5. Section 23028 is added to the Government Code, to
26 read:

27 23028. (a) (1) In addition to any authority otherwise provided
28 by law, the board of supervisors of any county may impose, by
29 ordinance, a tax on the privilege of cultivating, dispensing,
30 producing, processing, preparing, storing, providing, donating,
31 selling, or distributing marijuana by a licensee operating pursuant
32 to Chapter 18 (commencing with Section 26000) of Division 9 of
33 the Business and Professions Code. The tax may be imposed for
34 general governmental purposes or for purposes specified in the
35 ordinance by the board of supervisors.

36 (2) The board of supervisors shall specify in the ordinance
37 proposing the tax the activities subject to the tax, the applicable
38 rate or rates, the method of apportionment, and the manner of
39 collection of the tax. A tax imposed pursuant to this section is a
40 tax and not a fee or special assessment, and the tax is not required

1 to be apportioned on the basis of benefit to any person or property
2 or be applied uniformly to all taxpayers or all real property.

3 (3) A tax imposed by a county pursuant to this section by a
4 county may include a transactions and use tax imposed solely for
5 marijuana or marijuana products, which shall otherwise conform
6 to Part 1.6 (commencing with Section 7251) of Division 2 of the
7 Revenue and Taxation Code. Notwithstanding Section 7251.1 of
8 the Revenue and Taxation Code, the tax may be imposed at any
9 rate specified by the board of supervisors, and the tax rate
10 authorized by this section shall not be considered for purposes of
11 the combined tax rate limitation established by that section.

12 (4) The tax authorized by this section may be imposed upon
13 any or all of the activities set forth in paragraph (1), regardless of
14 whether the activity is undertaken individually, collectively, or
15 cooperatively, and regardless of whether the activity is for
16 compensation or gratuitously, as determined by the board of
17 supervisors.

18 (5) The board of supervisors shall specify whether the tax applies
19 throughout the entire county or within the unincorporated area of
20 the county.

21 (b) In addition to any other method of collection authorized by
22 law, the board of supervisors may provide for the collection of the
23 tax imposed pursuant to this section in the same manner, and
24 subject to the same penalties and priority of lien, as other charges
25 and taxes fixed and collected by the county.

26 (c) Any tax imposed pursuant to this section shall be subject to
27 applicable voter approval requirements imposed by any other law.

28 (d) For purposes of this section, “marijuana” shall have the
29 meanings set forth in Section 18100 of the Business and
30 Professions Code.

31 (e) This section does not limit or prohibit the levy or collection
32 or any other fee, charge, or tax, or any license or service fee or
33 charge upon, or related to, the activities set forth in subdivision
34 (a) as otherwise provided by law. This section shall not be
35 construed as a limitation upon the taxing authority of any county
36 as provided by other law.

37 SEC. 6. Section 11362.775 of the Health and Safety Code is
38 amended to read:

39 11362.775. (a) Qualified patients, persons with valid
40 identification cards, and the designated primary caregivers of

1 qualified patients and persons with identification cards, who
 2 ~~associate within the State of California in order collectively or~~
 3 ~~cooperatively to cultivate marijuana for medical purposes, shall~~
 4 not solely on the basis of that fact be subject to state criminal
 5 sanctions under Section 11357, 11358, 11359, 11360, 11366,
 6 11366.5, or 11570.

7 *(b) An individual employee, officer, or board member of a*
 8 *facility issued a conditional license pursuant to Part 5*
 9 *(commencing with Section 18100) of Division 7 of the Business*
 10 *and Professions Code shall not be subject to state criminal*
 11 *sanctions under Section 11357, 11358, 11359, 11360, 11366,*
 12 *11366.5, or 11570 and any successor statutes, based solely on*
 13 *holding a conditional license, for the possession, cultivation,*
 14 *processing, packaging, storage, transportation, sale, or distribution*
 15 *of medical marijuana to a facility holding a conditional license*
 16 *pursuant to Part 5 (commencing with Section 18100) of Division*
 17 *7 of the Business and Professions Code or directly to a qualified*
 18 *patient, a person with a valid identification card, or the designated*
 19 *primary caregiver of a qualified patient or person with a valid*
 20 *identification card, within the state, unless the information*
 21 *contained on the licensing paperwork is false or falsified, the*
 22 *license has been obtained by means of fraud, or the person is*
 23 *otherwise in violation of Part 5 (commencing with Section 18100)*
 24 *of Division 7 of the Business and Professions Code.*

25 *(c) This section shall not diminish the protections of Section*
 26 *18141 of the Business and Professions Code.*

27 SEC. 7. Article 8 (commencing with Section 111658) is added
 28 to Chapter 6 of Part 5 of Division 104 of the Health and Safety
 29 Code, to read:

30

31 Article 8. Medical Marijuana

32

33 111658. For purpose of this article, the following definitions
 34 shall apply:

35 (a) “Bureau” means the Bureau of Medical Marijuana
 36 Regulations in the Department of Consumer Affairs.

37 (b) “Certified testing laboratories” means a laboratory that is
 38 certified by the bureau to perform random sample testing of
 39 medical marijuana for patients, primary caregivers, and facilities
 40 issued conditional licenses pursuant to Part 5 (commencing with

1 Section 18100) of Division 7 of the Business and Professions Code,
2 pursuant to the certification standards for those facilities
3 promulgated by the bureau.

4 (c) “Edible medical marijuana product” means medical
5 marijuana or a medical marijuana-derived product that is ingested
6 or meant to be ingested through the mouth and into the digestive
7 system.

8 (d) “Marijuana” means all parts of the plant *Cannabis sativa* L.
9 *sativa*, *cannabis indica*, or *cannabis ruderalis*, whether growing or
10 not; the seeds thereof; the resin, whether crude or purified,
11 extracted from any part of the plant; and every compound,
12 manufacture, salt, derivative, mixture, or preparation of the plant,
13 its seeds, or resin. “Marijuana” does not include the mature stalks
14 of the plant, fiber produced from the stalks, oil or cake made from
15 the seeds of the plant, any other compound, manufacture, salt,
16 derivative, mixture, or preparation of the mature stalks (except the
17 resin extracted therefrom), fiber, oil, or cake, or the sterilized seed
18 of the plant which is incapable of germination. “Marijuana” also
19 means marijuana, as defined by Section 11018.

20 (e) “Labor peace agreement” means an agreement between an
21 entity and a bona fide labor organization that, at a minimum,
22 protects the state’s proprietary interests by prohibiting labor
23 organizations and members from engaging in picketing, work
24 stoppages, boycotts, and any other economic interference with the
25 applicant’s business. This agreement means that the applicant has
26 agreed not to disrupt efforts by the bona fide labor organization
27 to communicate with, and attempt to organize and represent, the
28 applicant’s employees.

29 (f) “Representative samples” means samples taken from each
30 batch or shipment of medical marijuana received from a licensed
31 cultivation site or any other source if intended for sale.

32 111659. The bureau, by July 1, 2017, shall accomplish both
33 of the following:

34 (a) Establish quality assurance protocols to ensure uniform
35 testing standards for all medical marijuana sold via dispensaries
36 or other facilities, or cultivated or manufactured by facilities, that
37 are issued a conditional license pursuant to Part 5 (commencing
38 with Section 18100) of Division 7 of the Business and Professions
39 Code.

1 (b) In consultation with outside entities at its discretion, develop
2 a list of certified testing laboratories that can perform uniform
3 testing in compliance with this article, and post that list on its
4 Internet Web site.

5 111660. (a) A facility issued a conditional license pursuant to
6 Part 5 (commencing with Section 18100) of Division 7 of the
7 Business and Professions Code shall bear the responsibility for
8 contracting with certified testing laboratories for regular, systematic
9 testing of representative samples of all medical marijuana cultivated
10 or intended for sale or distribution, and shall bear the cost of that
11 testing.

12 (b) A facility issued a conditional license pursuant to Part 5
13 (commencing with Section 18100) of Division 7 of the Business
14 and Professions Code shall maintain records of testing reports for
15 seven years, either on site in a digital format or at a secure off-site
16 location in either digital or paper format. These facilities shall
17 provide results of test reports to local code enforcement officers,
18 any other locally designated enforcement entity, and the bureau
19 upon request.

20 111661. Quality assurance protocols shall be required between
21 all licensed cultivation sites, licensed manufacturers, and licensed
22 dispensing facilities to guarantee safe and reliable medicinal
23 marijuana delivery to all patients. These quality assurance protocols
24 shall include:

25 (a) Providing supplier information to dispensaries in order for
26 recall procedures to be implemented, if and when necessary.

27 (b) Safety testing of all medical marijuana prior to packaging
28 for sale and patient exposure to identify and eliminate
29 microbiological contaminants and chemical residue.

30 (c) Labeling of all medical marijuana and medical marijuana
31 products that shall, at a minimum, include the following:

32 (1) List of pharmacologically active ingredients, including, but
33 not limited to, tetrahydrocannabinol (THC) and cannabidiol (CBD)
34 content, clear recommended dosage, and the size or volume of the
35 recommended dose.

36 (2) Clear indication, in bold font, that the product contains
37 medical marijuana.

38 (3) The statement “FOR MEDICAL USE ONLY. KEEP OUT
39 OF REACH OF CHILDREN AND ANIMALS” in bold print.

1 (4) Identification of the source and date of cultivation and
2 manufacture.

3 (5) The name and location of the dispensary providing the
4 product.

5 (6) The date of sale.

6 (7) Any other requirements set by the bureau.

7 111662. For purposes of this article, edible medical marijuana
8 products are deemed to be unadulterated food products. In addition
9 to the quality assurance standards provided in Section 111661, all
10 edible medical marijuana products shall comply with the following
11 requirements:

12 (a) Baked edible medical marijuana products, including, but not
13 limited to, brownies, bars, cookies, and cakes, tinctures, and other
14 edible medical marijuana products that do not require refrigeration
15 or hot holding may be manufactured, sold, or otherwise distributed
16 at facilities issued a conditional license pursuant to Part 5
17 (commencing with Section 18100) of Division 7 of the Business
18 and Professions Code.

19 (b) A facility issued a conditional license pursuant to Part 5
20 (commencing with Section 18100) of Division 7 of the Business
21 and Professions Code shall have an owner or employee who has
22 successfully passed an approved and accredited food safety
23 certification examination as specified in Sections 113947.1,
24 113947.2, and 113947.3 prior to selling, manufacturing, or
25 distributing edible medical marijuana products requiring
26 refrigeration or hot holding.

27 (c) Individuals manufacturing or selling edible medical
28 marijuana products shall thoroughly wash their hands before
29 commencing production and before handling finished edible
30 medical marijuana products.

31 (d) All edible medical marijuana products sold for direct
32 consumption and infused with marijuana concentrate shall be
33 individually wrapped at the original point of preparation. The
34 products shall be packaged in a fashion that does not exceed a
35 single dosage for one individual.

36 (e) Products containing tetrahydrocannabinol (THC) shall be
37 prepared in compliance with maximum potency standards for THC
38 and THC concentrates set forth in the bureau's regulations.

39 (f) Prior to sale or distribution at a licensed dispensing facility,
40 edible medical marijuana products shall be labeled and in an

1 opaque and tamper evident package. Labels and packages of edible
 2 medical marijuana products shall meet the following requirements:
 3 (1) Edible medical marijuana packages and labels shall not be
 4 made to be attractive to children.
 5 (2) All edible medical marijuana product labels shall include
 6 the following information, prominently displayed and in a clear
 7 and legible font:
 8 (A) Manufacture date and source.
 9 (B) The statement “KEEP OUT OF REACH OF CHILDREN
 10 AND ANIMALS” in bold print.
 11 (C) The statement “FOR MEDICAL USE ONLY.”
 12 (D) Net weight of medical marijuana in package.
 13 (E) A warning if nuts or other known allergens are used and
 14 shall include the total weight, in ounces or grams, of medical
 15 marijuana in the package.
 16 (F) List of pharmacologically active ingredients, including, but
 17 not limited to, tetrahydrocannabinol (THC) and cannabidiol (CBD)
 18 content, clear recommended dosage, and the size or volume of
 19 recommended dose.
 20 (G) Any other requirement set by the bureau.
 21 (g) Photos or images of food are not allowed on edible medical
 22 marijuana product packages or labels.
 23 (h) Only generic food names may be used to describe edible
 24 medical marijuana products.
 25 SEC. 8. Section 1155.7 of the Labor Code is amended to read:
 26 1155.7. (a) Nothing in this chapter shall be construed to apply
 27 or be applicable to ~~any~~ a labor organization in its representation
 28 of workers who are not agricultural employees. Any such labor
 29 organization shall continue to be governed in its intrastate activities
 30 for nonagricultural workers by Section 923 and applicable judicial
 31 precedents.
 32 (b) *To the extent not prohibited by law and for purposes of this*
 33 *chapter, “agricultural employer” includes a licensed cultivation*
 34 *site or a licensed dispensing facility, as defined in subdivisions (i)*
 35 *and (j) of Section 18100 of the Business and Professions Code.*
 36 SEC. 9. Section 1158.5 is added to the Labor Code, to read:
 37 1158.5. (a) The Division of Occupational Safety and Health
 38 in the Department of Industrial Relations shall develop
 39 industry-specific regulations related to the activities of facilities
 40 issued a conditional license pursuant to Part 5 (commencing with

1 Section 18100) of Division 7 of the Business and Professions Code,
2 including provisions for the establishment of labor peace
3 agreements and an apprenticeship program to ensure professional
4 standards among industry employees.

5 (b) The regulations shall govern agreements between a facility
6 issued a conditional license and a bona fide labor organization
7 prohibiting labor organizations and members from engaging in
8 picketing, work stoppages, boycotts, and other economic
9 interference with the licensee's business. The regulations shall
10 also govern agreements whereby the licensee has agreed not to
11 disrupt efforts by the bona fide labor organization to communicate
12 with, and attempt to organize and represent, the licensee's
13 employees.

14 SEC. 10. Section 3094 is added to the Labor Code, to read:

15 3094. The Division of Apprenticeship Standards shall
16 investigate, approve, or reject applications for apprenticeship
17 programs for employees of a licensed cultivation site or a licensed
18 dispensing facility, as defined in subdivisions (i) and (j) of Section
19 18100 of the Business and Professions Code. The Division of
20 Apprenticeship Standards shall have the authority to issue rules
21 necessary to implement and regulate the establishment of the
22 apprenticeship programs described in this section.

23 SEC. 11. The provisions of this act are severable. If any
24 provision of this act or its application is held invalid, that invalidity
25 shall not affect other provisions or applications that can be given
26 effect without the invalid provision or application.

27 SEC. 12. The Legislature finds and declares that Section 4 of
28 this act imposes a limitation on the public's right of access to the
29 meetings of public bodies or the writings of public officials and
30 agencies within the meaning of Section 3 of Article I of the
31 California Constitution. Pursuant to that constitutional provision,
32 the Legislature makes the following findings to demonstrate the
33 interest protected by this limitation and the need for protecting
34 that interest:

35 The limitation imposed under this act is necessary for purposes
36 of compliance with the federal Health Insurance Portability and
37 Accountability Act of 1996 (42 U.S.C. Sec. 1320d et seq.), the
38 Confidentiality of Medical Information Act (Part 2.6 (commencing
39 with Section 56) of Division 1 of the Civil Code), and the Insurance

1 Information and Privacy Protection Act (Article 6.6 (commencing
2 with Section 791) of Part 2 of Division 1 of the Insurance Code).
3 SEC. 13. No reimbursement is required by this act pursuant to
4 Section 6 of Article XIII B of the California Constitution because
5 the only costs that may be incurred by a local agency or school
6 district will be incurred because this act creates a new crime or
7 infraction, eliminates a crime or infraction, or changes the penalty
8 for a crime or infraction, within the meaning of Section 17556 of
9 the Government Code, or changes the definition of a crime within
10 the meaning of Section 6 of Article XIII B of the California
11 Constitution.